

Innovation, entrepreneurial system and the peculiarities of the Romanian enterprises strategy

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Abstract: *Economic reality demonstrates that the future isn't decided by genetics, informatics or new materials, but by professional, creative and cultural capacities of the human subject. Performance is conditioned by the existence of an information, intelligence and creativity fond, a capital that can't be replaced by anything and which changes the concept of efficiency.*

Key words: strategy, innovation, creativity, performance.

1. Introduction

The strategy, as expression of a thinking and action on long term in all economic areas, became commonness in daily language. The strategy is an instrument which allows participants to national and international economic changes to anticipate the different influences emanated from the intern and extern environment, and to find adaptive to change solutions.

An enterprise is competitive if is capa -

ble to maintain durable and voluntary on a competitive market, realizing a self-financing bottom line sufficient for assuring itself the financial independence and the proper ways of adapting to environment. The main resources of competitive capacity and implicit of the competitive advantage are innovation, information and communication.

The business strategy appears at the decision level and is conceived for improving the competitive position of enterprise's goods and services inside a sector or a market seg -

ment well defined. Decisions appear as a result of enterprise's activities segmentation, in function of products, markets, technology or other criterion. A good competitive position is always the consequence of the existence of a competitive advantage, e.g. a lower cost, access to certain markets or channels of distribution, a better brand image, all these evaluated comparatively with the rival enterprises situation. Success strategies at this level have as goal, the creation of a distinctive competence in one or more functional activities of the company, and after, using these in opening a competitive advantage. A distinctive competence represents something that the enterprise does very well comparatively with its rivals. This competence can refer to research and development, know-how, productive capacity, distribution, service or any other aspect important in the creation, production and selling firm's good or services.

Competitive strategies do not issue from analyses, but from a special spirit estate, in which the perspicacity and the immovable volition to realize a certain stake induce an intuitive, creative thinking process and a rational one.

2. Strategy and competitiveness

From the enterprise point of view, the elaboration of a strategy is a permanent process. While the mission and the objectives can remain unchanged for years, strategies permanently evolve pursuant by the firm's internal and external environment changes.

Two are the main aspects on which is based the choosing of the competition strategy. The first is the attractiveness of the activity sector from the point of view of long term profitability, and the factors that deter-

minates it. The second refers to the determinant factors of the competition position from an activity sector. An enterprise from a very attractive sector, is possible not to realize important profits if chooses a weak competitive position. Reverse, an enterprise in an excellent competitive position can be situated in such weak sector so that can not be profitable.

Assuring competitiveness became the main objective of enterprises, thereby is necessary the identification and application of some strategies which to assure the realization of a high competitiveness. The essential element of a strategy success or failure is competitiveness.

In the market economy maintaining competitiveness supposes a permanent creativity, innovation in developing new goods or services, more sophisticated and more personalized.

Competitive advantage allows a better positioning on the market to the enterprise, and it increases the form in which confronts with the other rival enterprises by creating a viable and enough large segments of buyers which are interested by its goods and services because they perceive it like having a superior global value.

3. Innovation in the frame of entrepreneurial system

In our days, innovation is the less risky way of progress, because even if a moderate success of an innovation assures sufficiently profits for compensating these risks.

Entrepreneurial policies, regarding innovation refers to:

- systematical abandonment of all that is bypassed or unproductive;
- accepting the fact that products, ser-

vices, markets, processes, technologies and channels of distribution have a limited life;

- covering through innovation the differences between old and new;
- wording an entrepreneurial plan.

The best organizational structure for entrepreneurial system is represented by the existence of a total separate company, which to deal with innovation and development. The founder can assume entrepreneurial duties while the enterprise extends, for assuring the continuity of the innovation policy, simultaneously with a strategic management, integrator and powerful.

4. The peculiarities of the Romanian enterprises' strategy

- *The situation of the technical progress and the scientific research*

The elimination of the multiples deregulations which manifests in Romania imposes an effort of changing mentalities on the channel research – projection – production.

Until now it was neglected the distribution of the research effort being emphasized more than on weights that recur to fundamental, applicative and on branch research. Thus it is imposed the inversion of the proportion between product research and material and technological research, in favor of the last one.

In the same time, a way in which creativity would self-finance would be the establishment of a risk in technique financing bank, by the cumulative contribution of inventive thinking of the bearer and of the state.

As products of the new scientific culture, in developed countries appeared expertise centers, which acts as intermediaries, provides consultancy and information

to the researchers who collected it, answer to requirements for effecting laborious calculations which can't be made by usual methods.

Substitution innovations represented the solution which induced in error Romanian specialists, because only created the impression of renewal, in fact maintaining the old form and complicating it.

Advanced studies graduates specialize too early in a certain area, and have a narrow vision of what truly means the team work. Employees rewards should be based on the whole functional departments contributions, and not only on their own success or on individual success.

Collective achievements, as well as research development and the labor productivity increasing rarefied because of the bouleversement of the cooperating reports between firms which belong to the same industrial branch.

The major trends which have high implications on the productive performances and on the future firms are:

- intermediaries and consume goods markets will become more sophisticated;
- economic activity will continue its internationalization;
- the rhythm of technological change will remain accelerated.

In an opened economy, dominated by risks and change, the accent is stand on surviving and not on profit, the last one existing only if we talk about the ephemeral profit of the authentic inventor.

In Romania, the density of small and medium enterprises is three times smaller than in the European Union, business environment continues to be instable and we are part of the group of countries with the lower level of technology in the world.

- *Exceeded organizational structures*

Subsystems of the informational system don't overlap with the subsystems of the management structure, but go parallel, so is important that calculation departments from the socio-cultural institutions, and firms to be invested with some attributions in the management area. It would be useful to exist analysts consultants in management and informatics with a plural-disciplinary preparation, and managerial capacity checked in production.

In the economic activity of our country, will take precedence the following objectives:

- the establishment of an adequate system of rewards and possibilities of promotion for specialists;
- in an organization composed by specialists it imposes the creation of an unified vision;
- for the enterprise in which the activity is done by teams with specific duties it imposes the conception of an adequate managerial structure;
- the creation of a recruitment, training and professional control system of managers;

These actions encounter too little in practice, and the trends on long term of the labor productivity provides few information regarding the effort of the Romanian firms on innovation, production and confronting the rivals.

Some branches of activity play an important role in the frame of competitiveness and labor productivity increasing on long term, either because exercises effects of technologic training either because some branches depend on them. These branches can little influence the actual productivity, but have a decisive contribution on growing on long

term. For this reason, international corporations which don't take into account the reports of forces between these branches became confusing.

In any economy there are four types of enterprise cultures:

- "power" type culture;
- "duty" type culture;
- "role" type culture;
- "person" type culture.

In Romanian enterprises dominates the "role" type culture, managerial practices often having strong red tape accents.

Romanian strategic vision is dominated by the following negative aspects:

- it approaches more to the budgetary techniques than to the strategic reflection, abiding more on predictable evolutions;
- it adapts hard to unexpected changes which can appear in surroundings.
- it neglects psychological factors, becoming technocratic planning.

- *Shrift human resources*

There are some opinions by which each employee touches on hierarchical scale his level of incompetence, i.e. they are promoted until they touch their limit. In reality though, the problem is that enterprises don't allow them to contribute beyond a certain point and not that they attained their limit. The solution is unfettering the existing potential and not finding new human resources.

The rationality and creativity were always considered opposed characteristics, enterprises being more preoccupied by rationality. Rational refers to facts, and these regard the past. Creativity in change regards the future. Thereby, the more enterprises bases on facts, the higher is the resistance at change.

An important obstacle in the way of Romanian economic performance amelioration is the lack of cooperation between individuals, but also between organizations, because of the narrow specialization, emphasized partitioning and bureaucracy. Thus decisions that should be integrated are fragmented.

Lately, an important strategic component became learning at labor place. In that direction, important enterprises implement the following principles: the enterprise assures the emission on large scale of the know-how at the level of production personal, for obtaining maximal advantages from the new technology and, the organization of the labor place rotation and of the preparation programs with the goal of develop the taste for learning.

In Romania, there is observed numerous manifestations at enterprises and employees level:

- the existence of a large gap between generations;
- hierarchical structures must be obvious and respected;
- the preference for coherent and precise instructions;
- avoiding conflicts;
- high level of population anxiety;
- high nervous tension at the labor place;
- employees prefer to work to the same enterprise;
- population prefers large enterprises;
- authority delegating applies only if is controlled the initiative of subordinates.

• *Deregulations in the enterprise activity and ways of economic redressing*

The main causes of the enterprise deregulations are: the absence of prognosis and

planning, anti-economic orientation, procedures and delegations absence and surveillance absence.

The financial repercussions of these causes are:

- the insufficiency of the financial structure. This situation imposes to the enterprise to back down comparatively with its rivals, pursuant to the absence of capitalization, insufficiency of the capital, anomalous consumption of realized profits, or of a weak management of labor resources.
- the insufficiency of capitalization - is owed to the low notoriety products, inadequate prices, high costs, but also to the inefficient choosing of the instruments used in the movement of enterprise.
- stock forming – diminishes the enterprise's capitalization, being constrained to appeal to financial reorganization.
- over-endowing – is the effect of a weak knowledge of using and maintenance materials, of the insufficient market study or of the annulment of some orders.
- exaggerated expansion – as effect of the bigger development wish than allows the financial means.
- wastage selling.

5. Strategic priorities for achieving performance

For achieving a high level of productive performance, in Romania, it is considered that are necessary four main types of investments:

- education and research;
- infrastructure investments;
- stimulation of productive investments;
- the elaboration of enterprise strategy

gies on short term.

Until now, Romanian enterprises elaborated a strategy based on a summary financial analysis. A production strategy mustn't assure the maximum efficiency or technical perfection, but the coherence of "structural" decisions, e.g. the production capacity substantiation, installations type and location, choosing process technology or the limits of vertical integration. To this it is added, the effects nature, quality administration, materials flow and the organization of production and labor.

Labor productivity doesn't guarantee enterprises competitiveness, but must be completed with the innovation and quality which depend of each employee initiative and imagination. Thereby for registering a real progress in socio-economic life, Romania must begin with the structural reform in education and scientific research. It is necessary for the students to have the capacity and motivation to form through themselves and continuously, proving the development of competences in the written and oral communication area. They must dedicate more to concrete problems, productivity, team work as well as to abroad culture and business practices.

The passing from the adaptive learning to creative learning, as well as participative education and learning through direct experience represents basic achievements of the contemporary didactic methodology fully confirmed by the economic development practice. Learning shouldn't be reduced to education. Education is only a component of the comprehensive learning process.

Regarding the second type of investments, to Romanian enterprises is observed

the encouragement of excessive and dangerous overvaluation of the short term profitability, without improving investments exploration on long term even if they are more profitable.

The main strategic directions to follow up, which results from the previous aspects are:

- the amelioration of long term production performance through focusing of the production process;
- adopting the distribution on market of first quality products, in wanted time and at competitive prices;
- new techniques must incite engineers and managers to incorporate in the initial conception of goods, the quality of the manufacture procedure;
- the supervision of the actions that wage engage more specializes less and is disposed to learn continuously.

6. Conclusions

Innovation must be more and more present at enterprise level, as an answer to the fast evolution of the market, grace to increasing competition, as well as to consumer's requirements and incomes, emerged in their round into an accelerated change.

The objectives followed by the innovation activity are multiples, and depending on the global strategy, it is followed the increasing or keeping of the market quote, products diversification, keeping a top position in innovation area and maintaining competitive advantage.

Nowadays, innovation must be the main instrument of a firm strategy, which wants to register success and performance

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